

University Of Jordan

Introduction To Management

Thirteen Edition

Chapter 11: Fundamentals of organizing

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Pixels

Good Luck 

* Organizing : arranges people and resources to work toward a goal

* Organizing purpose as one of basic functions of management is create a division of labor and then coordinate results to achieve a common purpose.

* Basic elements of organizing :

① structure : division of labor and tasks

② chart : the relationships among those people, tasks

③ Design : identifies the shape or the type of org.

* The central role that organization :

- Organizing begins the process of implementations by clarifying jobs and working relationships

- it identifies who is to do what, and how different people and parts of the organization relate to and work with one another.

- the managers challenge is to choose other situational demands.

* Organization structure : system of tasks reporting relationship and communication linkages.

* Organization chart : describes the arrangement of work positions within an organization

* Formal structure : official structure of the organization.

* A typical organization chart identifies positions and job titles as well as the lines of authority and communication between them.

* The basic of an organization formal structure

include :

- Division of work \Rightarrow show work responsibilities and position.
- Supervisory relationships \Rightarrow show who reports to whom
- Communication channels \Rightarrow show formal communication flows.
- Major subunits \Rightarrow position reporting to a common managers are shown.
- Levels of management \Rightarrow vertical layers are shown of management.

* In-formal structure : unofficial relationships among an organization members, but often "Critical"

* The lines of the informal structure would cut across levels and move from side to side, show people interacting : meeting for coffee ; exercise groups and in friendship.

* No organization can be fully understood without gaining insight into the informal structure as well as the formal one.

* Social network analysis : informal structure and their embedded social relationships in organization.
→ "Sociometrics."

* The result is a social network map that shows how a lot of work really gets done, this information can be used to update the organization chart to better reflect the way things actually work, it also legitimates the informal networks people use in their daily work.

"SHRM" ⇒ Society human resource management.

* Advantages of informal structure :-

- 1- allow people to make contacts with others who can help them get things done.
- 2- they stimulate informal learning as people work and interact together
- 3- they are sources of emotional support and friendship that satisfy members social needs.

* Dis-advantages of informal structure :

- 1- can be susceptible to rumor ^{أشاع} ^{بواسطة الشائعات}
- 2- carry inaccurate information ^{معلومات غير دقيقة}
- 3- breed resistance to change ^{مقاومة التغيير}
- 4- even divert work efforts from important objective.
- 5- feeling of elimination by outsiders ^{التقصي من الجماعة}
- 6- many work agents best interest of org.

* Traditional org structure

- Functional structures.
- Divisional structures.
- Matrix structures.

1 * Functional structure : similar skills , similar tasks , similar specialization.

* Functional structure example :

- marketing - finance - production - human resources.

small or medium size organization

* Advantages of Functional structure :

- 1- economies of scale : with efficient use resources.
- 2- task assignments consistent with expertise, training.
- 3- high-quality technical problem solving.
- 4- in-depth training and skill development within functions.
- 5- clear career paths within functions.

* Dis-advantages of Functional structures:

-1- difficulties in pinpointing responsibilities for things (like cost containment, product or service quality, innovation).

-2- Functional chimneys or functional silos problem:

→ lack of communication, coordination and problem solving across functions

-3- a sense of common purpose gets lost and self-centered.

-4- narrow viewpoints become prominent.

2 * Divisional structures: groups together people working on same product in same area with similar customers or on same processes.

* Types of divisional structure:

① Product structure: "single product line" groups together people and job focused on single product or service.

② Geographical structure: "regional structure, area structure" performed in the same location, need to differentiate products or services in various locations.

③ Customer structures: that serve the same customers or client; The goal is to best serve the special needs of the different customer groups.

④ Process structure: group jobs and activities that are part of the same process. "multi product"

* work process: group of related tasks that collectively create a valuable work product

* Advantages of divisional structures:

- 1) more Flexibility in responding to environmental change.
- 2) improved Coordination across functional departments.
- 3) Clear points of responsibility for product or service.
- 4) Expertise Focused on specific customers, products, regions.
- 5) greater ease in changing size by adding or deleting divisions.

* Dis-advantages of divisional structures:

- 1) reduce economies of scale and increase costs through the duplication of resources and efforts across division.
- 2) create unhealthy rivalries as division compete for resources and top management attention.
- 3) emphasize division needs over the goals of the organization as a whole.

3* Matrix Structure: that assigns specialists from different functional areas to work on projects.

- This is accomplished by creating permanent teams that cut across functions to support specific

Products, projects.

- workers in matrix structure belong to at least two formal groups at the same time.

- also report to two bosses one within the

(1) Function and the other within the team. (2)

* Advantages of matrix structures :

- (1) better communication and cooperation across functions.
- (2) improved decision making problem solving tasks place at the team level where the best information.
- (3) increased flexibility in adding, removing or changing operations to meet changing demands.
- (4) better customer service, there is always a program.
- (5) better performance accountability through a program.
- (6) improved strategic management, top managers are freed from lower-level problem solving to focus time on more strategic issues.

* Dis-advantages of matrix structures :

- (1) the tow boss system is susceptible to power struggles in functional supervisors and team leaders compete with one another to exercise authority.
- (2) tow boss system can be frustrating if it creates tasks confusion and conflicting work priorities.
- (3) matrix can take a lot of time.
- (4) the teams may develop "groupitis" strong team loyalties that cause a loss focus on larger organization goals.
- (5) can also result in higher costs.

* Horizontal org Structure

Team structures

Network structures

Boundaryless structures

1 * Team structure : uses permanent and temporary cross-functional teams to improve lateral relations.

تتميز بفرق دائمة ومؤقتة عبر الوظائف من أجل زيادة العلاقات الجانبية.

* Types of team structures :

1. Cross Functional team : brings together members from different functional departments.

2. Project teams : convened for a particular task or project and disband once it is completed.

* Advantages of team structures :

- putting people into teams and giving them common goals to work on together break down barriers and mobilize talents.
- Because team focus shared knowledge and expertise on specific problems, they can improve performance by increasing the speed and quality of decisions in many situations.
- can boost morale
- experience a greater sense of task involvement and identification, and this increases their enthusiasm for the job.

* Dis-advantages of team structure :

conflicting loyalties for persons with both team and functional assignments

- issues of time management and group process
- The quality of outcomes depends a lot of on how well tasks, relationships and overall team dynamics are managed.

عطيني

2* Network structures: (use) information technologies to link with networks of outside suppliers and service contractors

معاملة تقوسية مع شبكة اخرى

* Strategic alliance: cooperation agreement with another organization to jointly pursue activities of mutual interest.

خارجي - outsourcing strategic alliances.

Supplier strategic alliances - مورد التعاقد الاستراتيجي

* Advantages of network structures:

- help organizational stay cost competitive by reducing overhead and increasing operating efficiency.

network concepts allow organization to employee outsourcing strategies and contract out specialized business functions.

perment operation across great distance.

- Firm can operate with fewer full time perment employees.

* Dis-advantages of net works structures:

(more complex) the business or mission of the organization the more complicated it is to control and coordinate the network of contracts and alliances.

- if one part of the network breaks down or fails to deliver the entire system suffers.

- the organization may lose control over activities contracted out

- may also experience a lack of loyalty among contractors who are used infrequently rather than on a long-term basis.

- Some worry that outsourcing can become aggressive as to be dangerous to the firm.

3* Boundaryless Structures: eliminates internal and external boundaries with the external environment.
• can be viewed as a combination of the Team and Network Structures just described with the added feature of "temporainess".

* Requirments of boundaryless structures:

- 1- Spontaneous teamwork and communication replace formal lines of authority within the boundaryless org.
- 2- meeting and information sharing happen continuously
- 3- people work together in teams that form and dishband as needed.
- 4- little hierarchy but a lot of empowerment and technology utilization.
- 5- Knowledge sharing is both a goal and an essential component.
- 6- impermanence is accepted.

* Virtual organization: uses IT and the internet to engage a shifting network of strategic alliances. (without face to face)

* Organizational designs
Contingency in org.
Mechanistic in org.
Trends in org.

* Organizational designs: process of creating structures that accomplish mission and objectives.

* Bureaucracy: emphasizes formal authority, order, fairness and efficiency.

* Figure page 284 تصنيف مقارنة

	Bureaucratic mechanistic	Adaptive org organic	
الهدف Goal	Predictability	Adaptability	التكيف
السلطة Authority	Centralized	decentralized	غير مركزية
القواعد والبروتوكولات Rules and procedures	many	Few	قليلة
السلطة Spans of control	narrow	wide	واسعة
المهام Tasks	Specialized	Shared	مشتركة
الفريق Teams and task forces	Few	many	كثيرة
التنسيق Coordination	Formal / impersonal	informal / personal	غير رسمي / شخصي

* mechanistic design: "vertical tall" عمودي
 centralized, with many rules and procedures, a clear-cut division of labor, narrow spans of control, and formal coordination.

* Organic design: "horizontal" افقي
 decentralized, with fewer rules and procedures, open division of labor, wide spans of control, and more personal coordination.

* adaptive organization: operates with a minimum of bureaucratic features and encourages worker empowerment and team work.

* Trends of org design تقليل المستويات الإدارية
 Fewer levels of management
 more delegation and empowerment تفويض السلطة
 Decentralization with لامركزية
 Centralization. مركزية

1 * Fewer levels of management

① Chain of command: links all persons with ^{روابط جمع الأشخاص} ^{على نحو التسلسلي (عالمياً للسلطة)}

Successively higher levels of authority

② Spans of control: number of subordinates directly ^{عدد من المرؤوسين تقابل مباشرة للمدير} reporting to a managers.

③ Tall structure: have narrow spans of control and ^{سلسلة الطرد} many hierarchical levels. ^{العديد من مستويات}

④ Flat structures: have wide spans of control and ^{قليل من مستويات} few hierarchical levels.

2 * Fewer levels of management.

* Trend: organization are cutting unnecessary levels of management and shifting to wider spans of control.

Managers are taking responsibility for larger teams whose members operate with less direct supervision.

قطع المستويات غير الضرورية فقط، مسؤوليه الموارد للفرق الصغيرة للاعتماد مع قلة، لا تفرقة المدير

2 * More delegation and empowerment

* Delegation: process of distributing and ^{توزيع} entrusting work to other persons.

* Self enhancement to: view oneself more capable intelligent, ethical than others.

* Authority and responsibility principle: authority should equal responsibility when work is delegated.

* The process of delegation involves three steps:

• Step 1: the manager assigns responsibility by ^{توزيع} explaining the work or duties someone else is expected to do. This responsibility is an expectation for the other person to perform assigned tasks.

• Step 2: The manager grants authority to act. Along with the assigned task, the right to take necessary ^{منع السلطة} action (for example, to spend money, direct the work of others or use resources) is given to the other person.

• Step 3: The manager creates accountability. By accepting an assignment the person tasks on a direct obligation to the manager to complete the job as agreed.

* Empowerment: allows others to make decisions and exercise discretion in their work.

→ More delegation and empower.

* Trend: managers are delegating more. They are finding ways to empower people at all levels to make more decisions that affect themselves and their work.

* Centralization: the concentration of authority for most decisions at the top level of an organization.

* Decentralization: the dispersion of authority to make decisions throughout all organization levels.

→ Centralization and Decentralization.

* Trends: Delegation, empowerment, and horizontal structures are contributing to more decentralization in organizations, at the same time, advances in information technology help top managers maintain centralized control.

* staff positions: provide technical expertise for other parts of the organization.

→ Reduce use of staff.

* Trend: organizations are lowering costs and increasing efficiency by employing fewer staff personal and using smaller staff units.

وكفالة

Lujainjubran

11. A student volunteers to gather information on a company for a group case analysis project. The other members of the group agree and tell her to go ahead and choose the information sources. In terms of delegation, this group is giving the student _____ to fulfill the agreed-upon task.
 - (a) responsibility
 - (b) accountability
 - (c) authority
 - (d) decentralization
12. The current trend in the use of staff in organizations is to _____.
 - (a) give staff personnel more authority over operations
 - (b) reduce the number of staff personnel
 - (c) remove all staff from the organization
 - (d) combine all staff functions in one department
13. The bureaucratic organization described by Max Weber is similar to the _____ organization described by Burns and Stalker.
 - (a) adaptive
 - (b) mechanistic
 - (c) organic
 - (d) adhocracy
14. Which type of organization design best fits an uncertain and changing environment?
 - (a) mechanistic
 - (b) bureaucratic
 - (c) organic
 - (d) traditional
15. An organization that employs just a few "core" or essential full-time employees and outsources a lot of the remaining work shows signs of using a _____ structure.
 - (a) functional
 - (b) network
 - (c) matrix
 - (d) mechanistic

Short-Response Questions

16. What symptoms might indicate that a functional structure is causing problems for the organization?
17. Explain by example the concept of a network organization structure.
18. Explain the practical significance of this statement: "Organizational design should be done in contingency fashion."
19. Describe two trends in organizational design and explain their importance to managers.

Essay Question

20. Faisal Sham supervises a group of seven project engineers. His unit is experiencing a heavy workload, as the demand for different versions of one of his firm's computer components is growing. Faisal finds that he doesn't have time to follow up on all design details for each version of the product. Until now he has tried to do this all by himself. Two of the engineers have shown an interest in helping him coordinate work on the various designs. As a consultant, how would you advise Faisal to better manage delegating work to them?

Chapter 11

Management Skills &

Competencies Make yourself valuable!

Evaluate Career Situations

What Would You Do?

1. The New Branch Manager

As the newly promoted manager of a branch bank, you will be leading a team of 22 people. Most members have worked together for a number of years. How can you discover the informal structure or "shadow organization" of the branch and your team? Once you understand them, how will you try to use informal structures to advantage while establishing yourself as an effective manager in this situation?

2. Advisor to the Business School

The typical university business school is organized on a functional basis, with department heads in accounting, finance, information systems, management, and marketing all reporting to a dean. You are on your alma mater's advisory board, and the dean is asking for advice. What suggestions might you give for redesigning this structure to increase communication and collaboration across departments, as well as improve curriculum integration for students in all areas of study?

- Virtual organizations use information technology to mobilize a shifting mix of strategic alliances to accomplish tasks and projects.

FOR DISCUSSION What problems could reduce the effectiveness of team-oriented organization structures?

TAKEAWAYQUESTION 4

How are organizational designs changing the workplace?

- Contingency in organizational design basically involves finding designs that best fit situational features.

- Mechanistic designs are bureaucratic and vertical, performing best for routine and predictable tasks.
- Organic designs are adaptive and horizontal, performing best in conditions requiring change and flexibility.
- Key organizing trends include fewer levels of management, more delegation and empowerment, decentralization with centralization, and fewer staff positions.

FOR DISCUSSION Which of the organizing trends is most likely to change in the future, and why?

SELF-TEST 11

Multiple-Choice Questions

- The main purpose of organizing as a management function is to _____.
 (a) make sure that results match plans
 (b) arrange people and resources to accomplish work
 (c) create enthusiasm for the work to be done
 (d) match strategies with operational plans
- _____ is the system of tasks, reporting relationships, and communication that links together the various parts of an organization.
 (a) Structure
 (b) Staff
 (c) Decentralization
 (d) Differentiation
- Rumors and resistance to change are potential disadvantages often associated with _____.
 (a) virtual organizations
 (b) informal structures
 (c) delegation
 (d) specialized staff
- An organization chart showing vice presidents of marketing, finance, manufacturing, and purchasing all reporting to the president is depicting a _____ structure.
 (a) functional
 (b) matrix
 (c) network
 (d) product
- The functional chimneys problem occurs when people in different functions _____.
 (a) fail to communicate with one another
 (b) try to help each other work with customers
 (c) spend too much time coordinating decisions
 (d) focus on products rather than functions
- A manufacturing business with a functional structure has recently developed three new product lines. The president of the company might consider shifting to a/an _____ structure to gain a stronger focus on each product.
 (a) virtual
 (b) informal
 (c) divisional
 (d) network
- _____ structure tries to combine the best elements of the functional and divisional forms.
 (a) Virtual
 (b) Boundaryless
 (c) Team
 (d) Matrix
- The "two-boss" system of reporting relationships is found in the _____ structure.
 (a) functional
 (b) matrix
 (c) network
 (d) product
- Better lower-level teamwork and more top-level strategic management are among the expected advantages of a _____ structure.
 (a) divisional
 (b) matrix
 (c) geographical
 (d) product
- "Tall" organizations tend to have long chains of command and _____ spans of control.
 (a) wide
 (b) narrow
 (c) informal
 (d) centralized

Chapter 11